

January 23, 2008

Mr. Richard H. Karney, P.E.
US Department of Energy
Forrestal Building
1000 Independence Avenue, SW
Washington, DC 20585 -0121

Dear Mr. Karney:

Re: Position of Natural Resources Canada on ENERGY STAR Clothes Washers Criteria for 2009 and 2011

Natural Resources Canada would like to thank you for the opportunity to comment on the new proposed changes for the ENERGY STAR clothes washers criteria for 2009 and 2011. These changes are being proposed following the announcement on new regulatory requirements under the US *Energy Independence and Security Act of 2007 (EISA)*.

The *Office of Energy Efficiency of Natural Resources Canada* agrees that the qualifying levels should be raised for the ENERGY STAR qualified clothes washers. The two-Tier process will provide an opportunity for manufactures to differentiate their products in the market once the US Law, which will raise minimum energy efficiency requirements, comes into effect. In addition, improving the ENERGY STAR requirements for water factor will ensure that the program continues to promote the conservation of all resources. We agree with the proposed MEF levels but have concerns with respect to proposed water factor (WF) levels.

Manufacturers and distributors of energy using equipment consider that the integrated nature of the American and Canadian ENERGY STAR initiatives is very important and provides a very coordinated approach for marketing and distributing products in both countries. Any substantial changes to the qualifying criteria to the ENERGY STAR program in the U.S. would have a significant impact in Canada and NRCan's comments reflect our need to ensure that criteria are in step with Canadian standards and activities, as well as the climate conditions of this country.

In response to a proposal to update the criteria for ENERGY STAR qualified clothes washers, we have reviewed our Canadian database of model numbers submitted by manufacturers and dealers for this product category as per their reporting requirements under Canada's Energy Efficiency Regulations. The information in this database reflects *SKUs* available in the Canadian marketplace which is *not* shipment weighted.

The information found in Table 1 summarizes the information as of January 10, 2008 as well as illustrates the impact of the proposed Tier 1 and Tier 2 (*Market Impact Analysis of Potential Changes to the ENERGY STAR Criteria for Clothes Washers, January 9, 2008*) on the number of qualified ENERGY STAR models listed in the Canadian database.

Table 1 - Canadian Database*

	<i>Number of Models (SKUs)</i>		
	<i>Present E*</i> <i>MEF = 1.72,</i> <i>WF = 8.0</i>	<i>Tier 1(2009)</i> <i>MEF = 1.80,</i> <i>WF = 7.5</i>	<i>Tier 2 (2011)</i> <i>MEF = 2.0,</i> <i>WF = 6.0</i>
Total	479		
ENERGY STAR Qualified	222	205	152
<i>Front Loader</i>	196	190	147
<i>Top Loader</i>	26	15	5
<i># of non compliant high MEF</i>	4	6	7
<i># of non compliant low WF</i>	10	21	27
<i># of non compliant Top Loader</i>	239	250	260

*As of January 10, 2008

Approximately 46% of all available models are presently ENERGY STAR qualified (*see Table 1*).

Since there are no data available for 2009 or 2011 yet, one should note that if the proportion of the number of models available in the market remain at the present ratio, in 2009 and 2011 there will be approximately 43% and 32% respectively ENERGY STAR qualified models available in the Canadian market. In addition, in 2011, approximately 10% of total models available will fail to qualify because of the MEF while having low WFs (between 3.96 and 7.18 gal/cycle/ft3) and most of these models are front-loading units. Also, high MEF products will be eliminated because of WF which reduces choice for consumers between top vs. front loader products.

We feel that the WF would only be a significant factor on a regional basis (in some provinces there is no charge for water) and that it is not considered as a universal criteria (value of water varies significantly across the continent) such as MEF for product selection by the consumers. Additionally ENERGY STAR should not try to address the regional requirements by setting a very stringent WF. This also supports our objective of setting a WF in a manner that the ENERGY STAR qualified products do not use more water than non- ENERGY STAR products.

Based on the information provided by *California Urban Water Conservation Council*, average change in water use for a *unit change* in WF is **1,170 gallons/year**. Assuming a water price of approx. \$1/1,000 gallons the saving would be approx. \$1.8/year. In comparison for MEF changing from 0.1-0.3 the saving in electrical cost is between \$6-\$13/year (*Table 2*). Savings related to electrical cost are much more significant than the water savings.

Table 2 - Comparison for Energy Savings

<i>Model</i>	<i>MEF</i>	<i>Annual Electricity Cost*</i> \$
GE	1.72	28
Kenmore	1.78	41
GE	1.80	24
Inglis	1.94	16
Samsung	2.01	22

* *EnerGuide Appliance Directory 2007*

The current ENERGY STAR criteria which took effect in January 2007 introduced a significant increase in qualifying levels compare to Federal standards. The two proposed Tiers in this current proposal will even further exceed the Federal requirement and would exclude a large number of presently qualified models from the market and will largely eliminate the top-loading units from the qualified pool of ENERGY STAR products (*see Table 1*). This will reduce choice for consumers with their decision making by limiting the product choices available to them and potential result in consumer choosing non-ENERGY STAR product.

As per the forecast by the Canadian Appliance Manufactures Association (CAMA) in its *2007 Report* the sales of clothes washers in 2009 are projected to increase by 2.6% which indicates a steady rate of increase since 2007. However, although the sale of front-load machines is projected to increase and reach approximately 49% of the total CW sales in Canada by 2009, the report projects a continued consumer demand for top-loader units (51%). Also, as per the CAMA 2007 report, shipments of ENERGY STAR qualified washing machines were at 45% of total sales in year 2006 in Canada.

In summary, we agree that under the present circumstances of the new US Law (EISA), the proposed implementation of the two Tiers and their effective dates for clothes washers will provide manufactures with enough time to change and adapt to the new requirements. The market will continuously provided a good selection of ENERGY STAR and non-ENERGY STAR qualified models (43% and 33% based on limited and forecasted data at present). However, we would like to stress the importance of setting criteria that would allow for the inclusion of top-loading clothes washers in the ENERGY STAR qualified products.

Thank you for your consideration of our comments.

Best Regards,

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cc: Katherine Delves
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